

Members

Rep. William Crawford, Chairperson
Rep. Mary Kay Budak
Sen. Teresa Lubbers
Sen. Rose Antich
Ellen Clippinger
Cheryl A. Seelig
Sven Schumacher
Kimberly Tracy Armstrong
Donald Amos
Nathan Samuel
Marsha Hearn-Lindsey
Barb Schuck
Carol Johnson
Sharon Pierce
James Hmurovich
Mara Snyder
Johnnie Underwood



BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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Authority: IC 12-17.2-3.1

MEETING MINUTES¹

Meeting Date: September 28, 1999
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington
St., Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. William Crawford, Chairperson; Rep. Mary Kay Budak; Sen. Rose Antich; Ellen Clippinger; Cheryl A. Seelig; Sven Schumacher; Donald Amos; Nathan Samuel; Marsha Hearn-Lindsey; Barb Schuck; Carol Johnson; Sharon Pierce; Johnnie Underwood.

Members Absent: Sen. Teresa Lubbers; Kimberly Tracy Armstrong; James Hmurovich; Mara Snyder.

I. Call to Order

Representative Crawford, Chairperson, called the meeting to order at approximately 10:30 a.m. Members of the Board introduced themselves to those attending the meeting. LSA

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

staff informed the members of the public that minutes from the meetings can be viewed on the Internet at the following web site: www.ai.org/legislative.

II. Expert Testimony

A. Mr. Terry Spradlin, *Policy and Planning Specialist, Department of Education (DOE)*, made the following remarks:

- ☐ IC 20-5-2-1.5 became effective beginning with the 1992-1993 school year. The statute requires each school corporation to conduct a school age, after school child care program for children who attend kindergarten through grade 6. A school may also conduct a before school program.
- ☐ The statute allows each school corporation to contract with a not-for-profit or for-profit organization and utilize the school building in order to implement these programs.
- ☐ The statute requires each school corporation to develop a written policy that addresses compliance with standards for reasonable care. Those standards include acquiring liability insurance and establishing maximum adult to child ratios.
- ☐ The statute allows a school corporation to receive a waiver from the program requirements if the school corporation would experience an undue hardship due to a low number of eligible children in the program.
- ☐ Most school corporations contract with Head Start, the Boys and Girls Club, the YMCA, or the YWCA, and typically the cost to parents is anywhere from \$15 to \$60 per week.
- ☐ There are 294 school corporations in Indiana. About 250 to 270 offer child care programs, and about 25 to 50 request a waiver each school year.
- ☐ The DOE advises schools on the implementation of child care policies, and also fields complaints and concerns from the public if there are any. The only concerns the DOE has been notified of are those from Kathryn Azhar.

Mr. Spradlin submitted a handout of IC 20-5-2-1.5 (Exhibit #1).

B. Ms. Kathryn Azhar, *Infant Day Care, Inc., President, and Home Care Support, Inc., President*, offered the following testimony:

- ☐ IC 12-17.2-2-8 exempts schools from licensing requirements and IC 20-5-2-1.5 allows school corporations to contract with for-profit or not-for-profit child care providers. Neither of these statutes exempt for-profit or not-for-profit providers from the licensing requirements.
- ☐ Providers that the school corporations contract with have an advantage over other providers because they get free use of the school building and therefore are not required to pay any rent which can be a considerable expense for other child care providers.
- ☐ Indiana law is not written to allow schools to extend their licensing exemption to child care providers that the school corporations are contracting with.
- ☐ The main issue is not whether a school should be used for child care, but rather that the provider being contracted with be required to have a license. By not requiring contracted providers to meet licensing requirements, and by not requiring these providers to pay rent for building space, the contracted providers are making a large profit from providing services to school corporations.
- ☐ Parents are not complaining about these providers because they are not aware that these providers are not licensed.

Ms. Azhar submitted a number of handouts which describe her testimony more fully and also provide additional information (Exhibit # 2).

C. Lauralee Martin, Deputy Director, Division of Family and Children, Bureau of Child Development, made the following comments:

- ☐ All providers that accept voucher reimbursements must meet the following requirements:
 1. Have at least one working smoke detector on each floor of the home.
 2. Annual TB testing.
 3. Have a written emergency plan for informing parents of various things such as illness of a provider, back-up plan for care in an emergency situation, and fire or tornado evacuation procedures.
 4. Infant/child CPR certification biannually and first aid training every three years.
 5. Complete a criminal history check for all residents of the provider's home or child care site.
- ☐ 56 counties have adopted these standards through the local Step Ahead Councils.
- ☐ 17,300 providers who are exempt from licensing receive vouchers and 2,500 licensed providers receive vouchers.
- ☐ FSSA has proposed 3 additional requirements for providers accepting voucher reimbursements:
 1. Have one working telephone in each child care home or site.
 2. Have one working fire extinguisher placed in the child care area of the child care home or site.
 3. Provide for a safe environment by locking up firearms and ammunition in an area away from the children in care, and storing poisons, chemicals, bleach and cleaning materials on high shelves away from children's reach or keep these items locked up.
- ☐ FSSA has proposed additional requirements to its criminal history review policy procedures, and has proposed a requirement that all providers, licensed and license exempt, consent to a clearance of Child Protective Services information held by the Division of Family and Children.

Ms. Martin submitted a number of handouts which describe her testimony more fully and also provide additional information (Exhibit # 3).

Questions from the Board

In regard to Mr. Spradlin's testimony, Board members asked various questions. Ms. Seelig inquired about the not-for-profit/for-profit ratio of providers as well as whether there are criminal checks on employees or minimum standards. Mr. Spradlin stated that the typical after school child care provider is a not-for-profit organization and only a small percentage are for-profit organizations. Mr. Spradlin could not provide exact numbers, but he said that the YMCA and the YWCA are the most common providers and they are typically voluntarily licensed. He also said that the facility must meet required health and safety standards and that the schools themselves are actually doing the criminal background checks. Miss Clippinger asked if "voluntarily licensed" means these providers actually have a license or just turn in an application for a license. Mr. Spradlin stated that a provider is voluntarily licensed when the provider is not required to be licensed under Title 12 or Title 20 of the Indiana Code or is exempt from licensure, but the provider gets a license regardless. He was unable to answer whether these providers merely turn in an application or are officially licensed.

Senator Antich expressed concern over how much money these providers may potentially be making, but Mr. Spradlin commented that the statute allows fees only for administrative costs, no matter who the provider is. In addition, he stated that school corporations would not have a reason to contract with a high-cost provider. Senator Antich and Representative Crawford requested a list of names of the not-for-profit and for-profit providers that contract with school corporations. Mr. Spradlin stated that this information is not currently available but the DOE can do a survey of school superintendents. Representative Crawford asked which agency receives the written policies that school corporations are required to develop under IC 20-5-2-1.5(b). Mr. Spradlin said that the DOE provides school corporations with a handbook that contains suggested policy formats and waiver request forms. The DOE asked for these written policies when the law took effect for the 1992 to 1993 school year. These written policies are required to be turned in only once whereas waivers are collected annually.

Ms. Johnson asked how difficult it would be to require for-profit and not-for-profit providers who are contracting with school corporations to be licensed. Mr. Spradlin stated that school superintendents would need to be questioned about this before he could answer; however, he stated that if the system is currently working without problems there is no need to regulate it. Miss Clippinger made the point that child care programs in schools may be difficult to license because oftentimes children are moved around to different rooms within the building and licensure requirements may not provide for this.

Representative Crawford commented that there should be a central depository for information collected by the DOE regarding school corporation's written policies and statistics on the types of providers being contracted with by school corporations. He also stated that according to Mr. Spradlin's information, it does not appear that children are being harmed under the current system in which school corporations may contract with unlicensed providers. Mr. Spradlin remarked that the DOE is unaware of any problems and that the system, as it exists now, allows children to be involved in extra-curricular activities.

In response to Ms. Azhar's testimony, Ms. Clippinger commented that the statistics that were used in Ms. Azhar's handout concerning non-profiteering in Hamilton Southeastern schools (see exhibit # 2) are not necessarily accurate and as a result portray a false perception of not-for-profits' businesses. Ms. Johnson suggested that the issue of licensing school corporation child care providers may be an administrative issue that the Department of Education could look in to. Representative Crawford referenced Mr. Hmurovich's letter (see Exhibit # 2) which stated that the legal staff at the Department of Education does not agree with Miss Azhar's position on this issue. He went on to say that the Board will consider this issue in its final report and decide whether a recommendation should be made to change the law in this area.

Representative Budak introduced Ms. Shirley Hermson from the YMCA in LaPorte County to comment briefly on this issue. Ms. Hermson said that an issue to be concerned about in licensing these providers is that the providers do not always know what room they will be in at a school. She said that at one time she felt that the day care being provided by school corporations was taking business away from licensed providers, but she also said there are still a number of schools that continue to choose the YMCA as a provider. Senator Antich asked whether she had an objection, as a school corporation provider, to being licensed and Ms. Hermson said she did not. Representative Budak said many kids are in the basement of schools for day care programs and that that should be a safety concern. Ms. Seelig followed up by saying these providers claim it would be too difficult to license them because they never know what room they will be in at a school, but if a licensed child care provider moves to a new location, they must continue to meet all the licensing requirements. She said this shows an inconsistency in the law with respect to schools and

home care.

In response to Ms. Martin's testimony on vouchers, Representative Budak suggested legislation that would require a recipient of a voucher to be a licensed child care provider, or in the case of kinship care, the provider would be required to be a blood relative. She then asked Ms. Martin whether or not Step Ahead has too much power when it comes to local decision making, especially with regard to adopting minimum standards in child care facilities. Ms. Martin suggested that legislators talk with her about this issue at a later date and said that FSSA welcomes comments from the Board on whether these minimum standards should be made mandatory.

III. Public Testimony

A. *Jane Bisbee, Greene County Office of Family and Children, Director*, testified that some voucher dollars are going to people who are named in the child protection records but her office has no control over that. In January of 1999 Step Ahead implemented minimum standards and lost a number of providers in Greene County, but there were no children taken off the voucher programs. She testified that a majority of the costs to implement minimum requirements in her county are paid for through Step Ahead. She said her county has not required working phones, fire extinguishers, or site visits. She testified that in Greene County no children are on a waiting list for vouchers and that the minimum standard requirements have improved the safety standards in child care facilities. Representative Crawford asked how much of the care being provided is kinship care and Ms. Bisbee stated that about 50% is kinship care. Representative Budak asked why all reported problems are not necessarily dealt with and Ms. Bisbee said that law enforcement must be involved to get things done which can sometimes make things difficult, but it is rare that someone does not comply with a cease and desist order.

B. *Linda Fitzgerald, The Little House, President*, testified about her concerns regarding the exemption of child care ministries from licensing requirements.

C. *John Barksdale, Floyd County Office of Family and Children, Director*, testified that Floyd County has identified the need for special child care such as third shift child care. He stated that the local Step Ahead Council has adopted 6 of FSSA's minimum standards. Mr. Samuel stressed that if minimum standards become a requirement, then it will be necessary to work out details on who will enforce these standards. Ms. Lauren Polite, the legislative liaison from FSSA, said that requiring minimum standards would involve the issue of how to investigate complaints as well as the funding for monitoring these standards.

D. *Marsha Thompson, Indiana Association for Child Care Resource and Referral, Executive Director*, testified regarding her support of statewide initiatives to improve child care.

E. *Lee Merriweather, Day Break, Marion County Voucher Agent*, testified that he works closely with Step Ahead and FSSA to ensure that quality child care is being provided. His organization offers a program that involves 14 hours of development training, criminal checks, CPR training, facility visits, and other minimum standards. He said that many of the providers are supportive of the program and it has helped to identify bogus providers. Mr. Merriweather said he can be contacted at 317/283-0292 for further information.

F. *Kay Kelly, Voucher Agent for Marion County* briefly testified in support of minimum standard requirements for child care facilities.

G. *Stephanie Williams* briefly testified in support of minimum standard requirements for child care facilities.

IV. Board Discussion

The Board set the following dates for the next two meetings:

October 7, 1999 1:30 p.m. (Room 156B)

October 18, 1999 10:30 a.m. (Room TBA).

All proposed recommendations to the Board must be submitted in writing to Susan Cullen, the Board's attorney, by 10:00 a.m. October 12 in order to be included in the draft final report to be considered at the Board's final meeting. Susan Cullen can be reached at 317/233-9454. The meeting adjourned at approximately 1:00 p.m.